



*Statistical Portrayal of the Tax
Exempt Bonds Office's Enforcement
Activities From Fiscal Year 2005
Through Fiscal Year 2010*

August 3, 2012

Reference Number: 2012-10-087

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



HIGHLIGHTS

STATISTICAL PORTRAYAL OF THE TAX EXEMPT BONDS OFFICE'S ENFORCEMENT ACTIVITIES FROM FISCAL YEAR 2005 THROUGH FISCAL YEAR 2010

Highlights

Final Report issued on August 3, 2012

Highlights of Reference Number: 2012-10-087 to the Internal Revenue Service Acting Commissioner for the Tax Exempt and Government Entities Division.

IMPACT ON TAXPAYERS

State and local governments have outstanding debt of more than \$3.7 trillion dollars in municipal bonds, and hundreds of millions of dollars in new municipal bonds are issued each year. The Tax Exempt Bonds (TEB) office's primary method to ensure bonds are in compliance with tax laws is through its Examination Program, and it has dramatically increased coverage of the municipal bond sector by conducting more examinations. However, the TEB office has minimal information to select municipal bonds for examination and continues to use its limited resources examining compliant bonds. This results in an increased burden on the compliant bond issuers involved in these examinations.

WHY TIGTA DID THE AUDIT

This review addresses the major management challenge of Tax Compliance Initiatives. The overall objective was to review statistical data for the TEB office's enforcement activities from October 2004 through September 2010 to assess the office's efforts in identifying noncompliant bonds.

WHAT TIGTA FOUND

The Congressional Research Service estimates that \$309.9 billion in Federal tax will not have to be paid for Fiscal Years (FY) 2012 through 2016 because interest income from municipal bonds is exempt from Federal income taxes. The TEB office's enforcement activities are important

because they help ensure the municipal bond exemption from Federal income tax is not being abused.

The TEB office more than doubled the number of examinations conducted per year since TIGTA last reviewed enforcement activities from FYs 2002 through 2004. Assessments based on examinations conducted from FYs 2005 through 2010 total more than \$84 million. The TEB office accomplished these results while significantly decreasing the amount of time it spends examining municipal bonds from more than 100 staff days per examination in FY 2002 to approximately eight staff days in FY 2010.

However, the TEB office still spends a substantial amount of time examining compliant bonds. Similar to a prior audit, TIGTA determined that more than one-half of the examinations conducted by the TEB office do not uncover noncompliance. Finally, TIGTA found that time expended on misconduct investigations was not always tracked.

WHAT TIGTA RECOMMENDED

During the audit, TIGTA recommended that the TEB office provide guidance to its employees to ensure time captured relative to misconduct investigations is complete. The TEB office took appropriate action prior to the issuance of this report.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

August 3, 2012

MEMORANDUM FOR ACTING COMMISSIONER, TAX EXEMPT AND GOVERNMENT
ENTITIES DIVISION

FROM:

Michael E. McKenney
Acting Deputy Inspector General for Audit

SUBJECT:

Final Audit Report – Statistical Portrayal of the Tax Exempt Bonds
Office's Enforcement Activities From Fiscal Year 2005 Through
Fiscal Year 2010 (Audit # 201110028)

This report presents the results of our review of statistical data for the Tax Exempt Bonds (TEB) office's enforcement activities from October 2004 through September 2010 to assess the office's efforts in identifying noncompliant bonds. This review was conducted as part of our Fiscal Year 2012 Annual Audit Plan and addresses the major management challenge of Tax Compliance Initiatives.

During the audit, we recommended that the TEB office provide guidance to TEB office employees to ensure time captured relative to misconduct investigations is complete. The TEB office took appropriate action prior to the issuance of this report. In addition, TEB office management reviewed the report before it was issued and offered clarifying comments and suggestions which have been taken into account.

Copies of this report are also being sent to the Internal Revenue Service managers affected by the report results. Please contact me at (202) 622-6510 if you have questions or Russell P. Martin, Acting Assistant Inspector General for Audit (Management Services and Exempt Organizations), at (202) 622-8500.



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Abbreviations

AIMS	Audit Inventory and Management System
FTE	Full-Time Equivalent
FY	Fiscal Year
I.R.C.	Internal Revenue Code
IRS	Internal Revenue Service
TEB	Tax Exempt Bonds
WebETS	Web-Based Employee Technical Time System



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Background

State and local governments have outstanding debt of more than \$3.7 trillion dollars in municipal bonds, and hundreds of millions of dollars in new municipal bonds are issued each year. These bonds provide for the building of public projects such as courthouses, hospitals, airport expansions, and highways. Municipal bonds are federally subsidized by allowing bondholders to earn tax-exempt interest income or providing a tax credit, or by providing State or local governments with a refundable credit payment from the Federal Government.

The mission of the Internal Revenue Service's (IRS) Tax Exempt Bonds (TEB) office is to fairly administer the Federal tax laws applicable to municipal financing and to provide customers with top quality service by applying the tax law with integrity and fairness. The TEB office's primary method of ensuring municipal bonds are in compliance with tax laws is through its Examination Program. Examinations are conducted to identify noncompliance with tax laws and abuse, such as profiting from the investment of bond proceeds, known as arbitrage.¹ In addition, the TEB office conducts initiatives and performs investigations to determine if promoters of municipal bonds who engage in misconduct should be penalized under Internal Revenue Code (I.R.C.) Section (§) 6700² or referred to the IRS's Office of Professional Responsibility.

Municipal bonds are used to raise large amounts of capital to finance the construction of public projects such as courthouses, hospitals, and airport expansions.



TEB office management establishes a yearly workplan to provide guidance for selecting municipal bonds for examination based on issues and trends identified from prior examinations, compliance questionnaires, outreach activities, and other internal or external sources. The risk of bond issue noncompliance can be high due to the large dollar amounts involved in municipal bonds and the fact that bond proceeds may not be immediately used, increasing the risk for arbitrage.

¹ Arbitrage is the investment of bond proceeds at a higher interest rate in order to generate a profit.

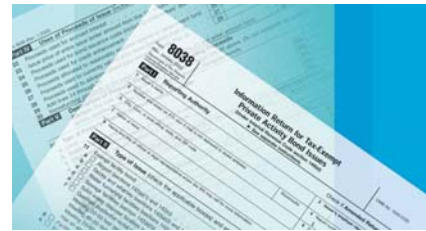
² I.R.C. § 6700 (2004) imposes a penalty for promoting an abusive tax shelter while making a false or fraudulent misrepresentation as to any material matter or for making a material gross valuation overstatement as to any material matter.



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In a previous audit,³ we determined that challenges existed for the TEB office to improve enforcement of the tax law. For example, we determined that more than one-half of the bonds the TEB office examined between Fiscal Year (FY) 2002 and FY 2004 were compliant with tax laws. In addition, the TEB office has minimal information to select municipal bonds for examination. For example, the various Form 8038 information returns⁴ are required to be filed shortly after the bond is issued. However, there is no requirement for subsequent filing, even though the bond structure could change during the life of the bond, which can be 30 years or more.

The Tax Exempt Bonds office has relatively little information upon which to select municipal bonds for examination that are likely to be noncompliant.



The purpose of this audit was to analyze the TEB office's enforcement results since our prior review. This review was performed at the TEB Headquarters Office in Washington, D.C., the TEB Compliance and Program Management office in St. Louis, Missouri, and the Denver, Colorado, field office, during the period July 2011 through March 2012. With the exception of evaluating internal controls regarding the tracking of penalty investigations, we did not assess internal controls because it was not applicable within the context of our audit objective. Otherwise, we conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.

³ Treasury Inspector General for Tax Administration, Ref. No. 2005-10-186, *Statistical Portrayal of the Tax Exempt Bonds Office's Enforcement Activities From Fiscal Year 2002 Through Fiscal Year 2004* (Sept. 2005).

⁴ See Appendix V for a list of Form 8038 information returns.



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Results of Review

The Congressional Research Service estimates that \$309.9 billion in Federal taxes will not have to be paid for FYs 2012 through 2016 because interest income from municipal bonds is exempt from Federal income taxes. The TEB office's enforcement activities are important because they help ensure the municipal bond exemption from Federal income tax is not abused.

The TEB office more than doubled the number of examinations conducted per year since we last reviewed enforcement activities covering the period FY 2002 through FY 2004 and has assessed more than \$84 million in sanctions⁵ between FYs 2005 and 2010. The TEB office accomplished these results while significantly decreasing the amount of time it spends examining municipal bonds from more than 100 staff days per examination in FY 2002⁶ to approximately eight staff days per examination in FY 2010.⁷ In addition, the TEB office conducts examinations on late filed bond information returns and secures delinquent returns.⁸

While the TEB office is uncovering noncompliance through its examination program and completing examinations quicker, it still spends a substantial amount of time examining compliant bonds. Similar to our prior audit, we determined that more than one-half of the examinations conducted by the TEB office do not uncover noncompliance. In addition, our analysis identified that the total dollar assessments on noncompliant bonds fluctuates considerably from year to year. Finally, we found that time expended on misconduct investigations was not always tracked.

Municipal Bond Examinations Have Risen Dramatically

In our previous report, we noted that the number of bond examinations had increased to almost 400 examinations per year, even though the number of examiners in the TEB office had remained constant (approximately 22). Since that time, the TEB office has increased its staff of examiners and the number of examinations has increased dramatically. Figure 1 shows the TEB office closed approximately two times the number of examinations in FY 2010 than in any of the prior five fiscal years.

⁵ A sanction is a monetary penalty used to enforce the tax law.

⁶ FY 2002 was the first year reviewed in the prior audit of TEB office enforcement statistics.

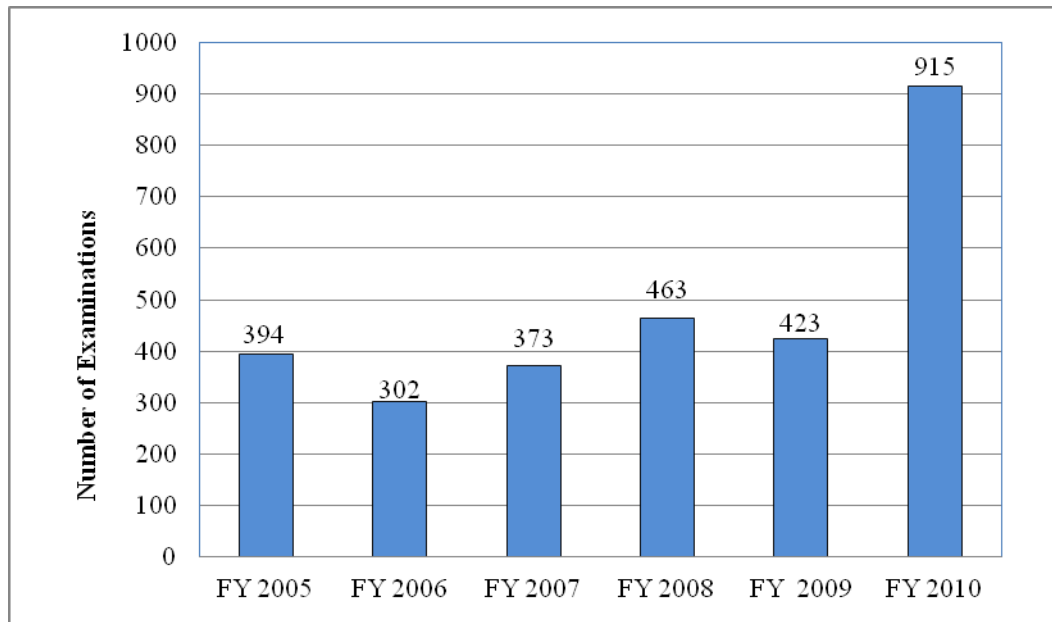
⁷ FY 2010 was the last year reviewed in the current audit of TEB office enforcement statistics.

⁸ Although these delinquent and late filed returns are examinations, they are limited to a review of compliance with the filing requirements and do not include a review of compliance with other qualification requirements. As such, they are very limited in scope and are not included in the figures in the remainder of the report. For example, in FY 2010, the TEB office identified and secured more than 600 municipal bond returns that had not been filed or had not been filed timely.



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**Figure 1: Number of Closed Examinations From
FY 2005 Through FY 2010**



Source: Audit Inventory and Management System (AIMS)⁹ data for FYs 2005 through FY 2010.¹⁰

Figure 2 shows the number of TEB office Full-Time Equivalents (FTE)¹¹ increased over the past four fiscal years.¹² The number of FTEs applied to examination activities in the TEB office also increased over the past four fiscal years. This increase in FTEs continues the IRS's commitment of devoting resources to its enforcement program.

⁹ The AIMS is a computer system used by the Tax Exempt and Government Entities Division to control returns, input assessments/adjustments to the Master File, and provide management information reports. The Master File is the IRS database that stores various types of taxpayer account information, including individual, business, and employee plans and exempt organizations data.

¹⁰ The TEB office could not reconcile this information with its own inventory reports. However, the AIMS data used in our analysis were provided by TEB office management and they generally agreed with our analysis methodology. In addition, the TEB office attributed some differences to manually removed error records from its inventory reports, but does not have historical records to reconcile to our figures.

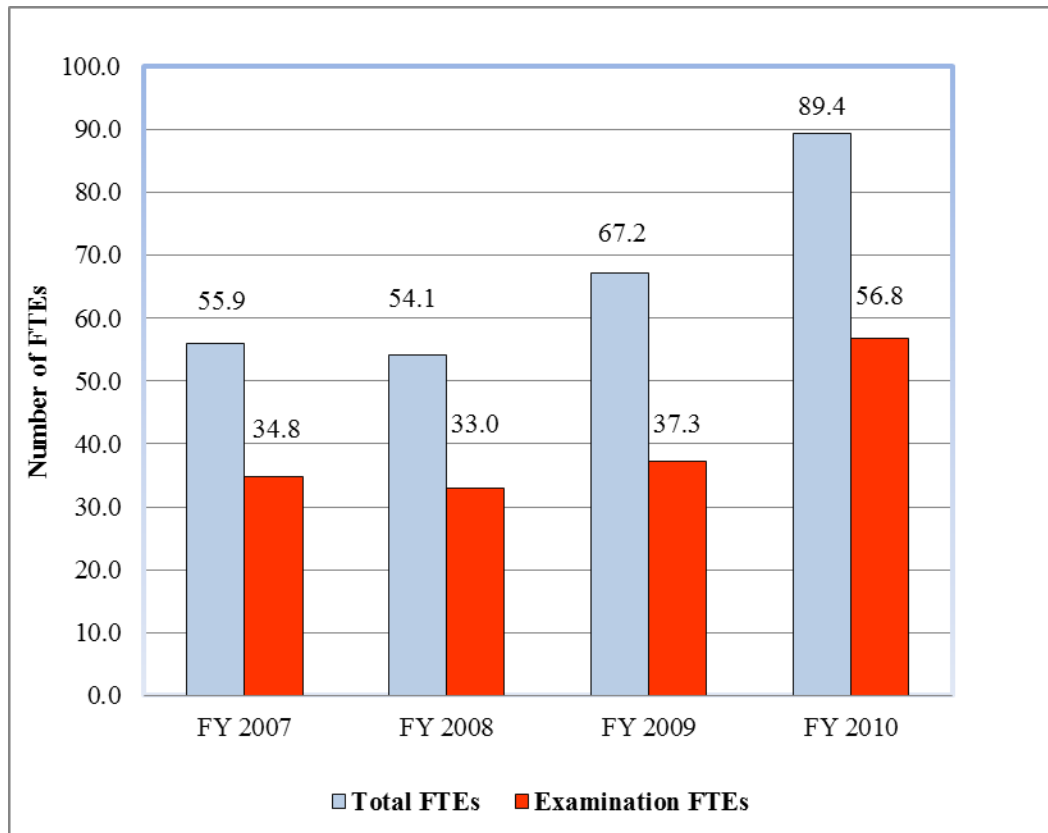
¹¹ A measure of labor hours in which one FTE is equal to eight hours multiplied by the number of compensable days in a particular fiscal year. For FY 2008, one FTE was equal to 2,096 staff hours; for FYs 2007, 2009, and 2010, one FTE was equal to 2,088 staff hours.

¹² Data were available only for FYs 2007 through 2010 from the IRS's Tax Exempt and Government Entities Division Web Technical Time Reporting System. This system provides Tax Exempt and Government Entities Division employees a web-based application to establish cases, maintain their inventory, and report their time as it is applied.



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**Figure 2: Total FTEs Expended in the TEB Office Versus
FTEs Expended for Examinations From FY 2007 Through FY 2010**



Source: Tax Exempt and Government Entities Division Technical Time Reporting System.

The increase in employees was in part due to hiring for the large number of bond-related provisions included in the American Recovery and Reinvestment Act of 2009 (Recovery Act).¹³ The TEB office is responsible for ensuring continued compliance with the municipal bond Recovery Act provisions.

In addition, we identified that the time spent examining municipal bonds decreased dramatically. For example, in our prior report, we identified that the TEB office spent more than 100 staff days per municipal bond examination in FY 2002. Whereas, in FY 2010, the TEB office significantly reduced the staff days to an average of approximately eight staff days per examination.

¹³ Pub. L. No. 111-5, 123 Stat. 115 (2009).

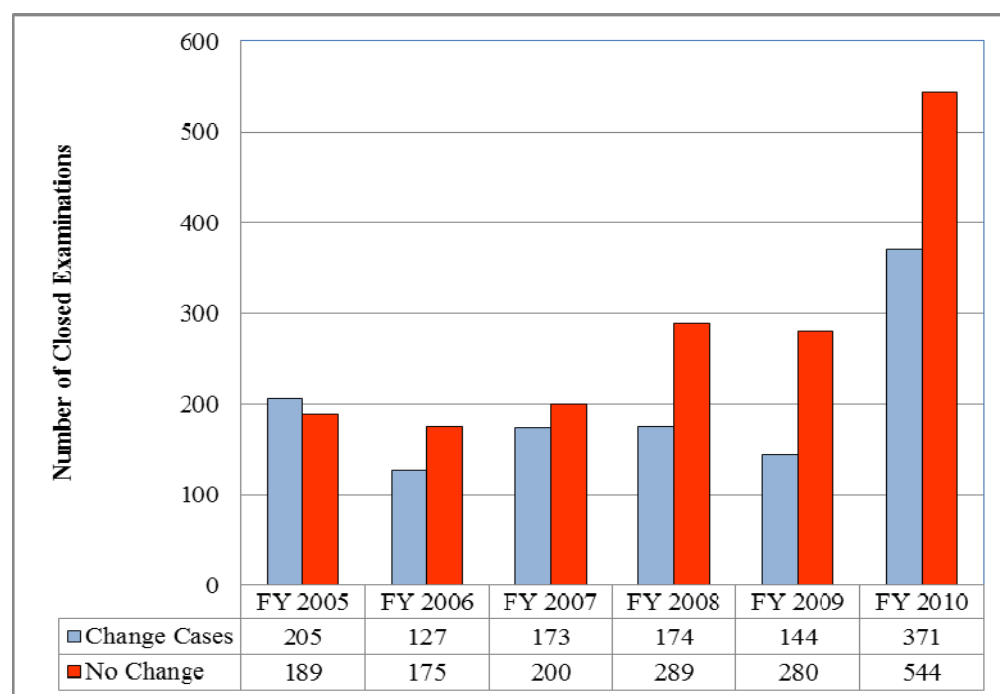


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High Percentage of Examinations Continue to Involve Compliant Bonds

In our prior report, we identified that, for FY 2002 through FY 2004, more than 60 percent of the bonds examined by the TEB office were compliant. This review continues to show the TEB office is expending significant resources examining compliant bonds. For example, the percentage of examination cases that were identified as compliant has varied from a low of 48 percent in FY 2005 to a high of 66 percent in FY 2009. The six-year average between FY 2005 and FY 2010 is 58 percent,¹⁴ which is lower than the three-year average detailed in our previous report. Figure 3 provides a breakdown of the examinations conducted in FY 2005 through FY 2010 by whether the examination identified bond noncompliance versus compliance.

Figure 3: Number of Examinations Identifying Noncompliance Versus Compliance From FY 2005 Through FY 2010



Source: AIMS data for FY 2005 through FY 2010.

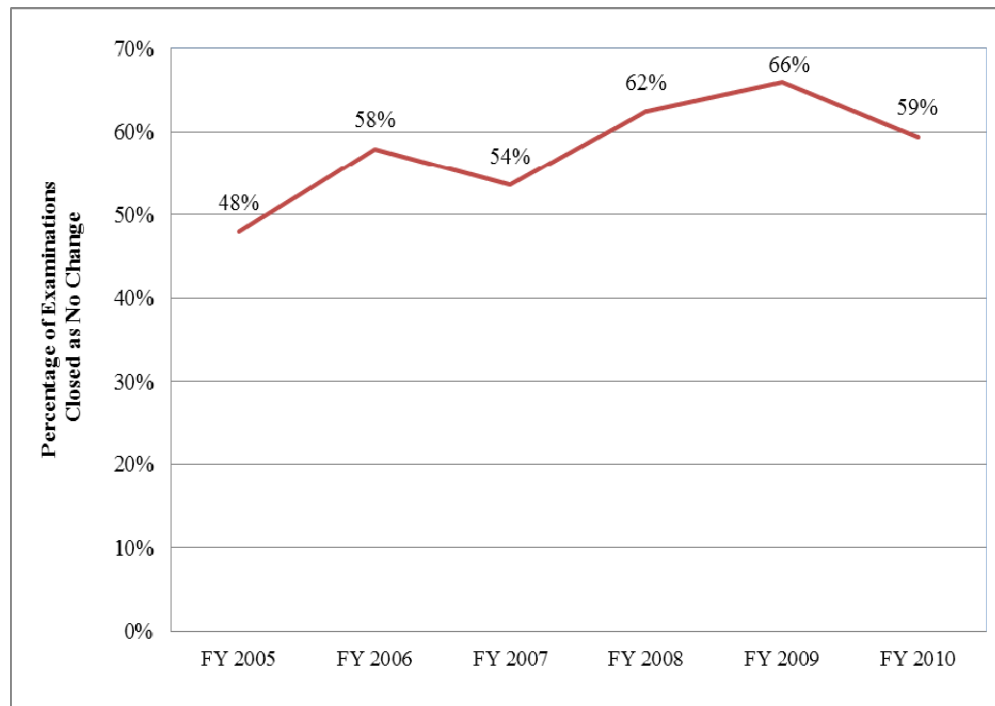
¹⁴ This percentage includes claims for refund. The TEB office examines all claims for refund to determine whether funds should be refunded to the bond issuer.



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Figure 4 shows the percentage of examinations of compliant bonds from FY 2005 through FY 2010.

**Figure 4: Percentage of Examinations Resulting in No Change
From FY 2005 Through FY 2010**



Source: AIMS data for FY 2005 through FY 2010.

Examination Assessments Increased Dramatically but Continue to Vary From Year to Year

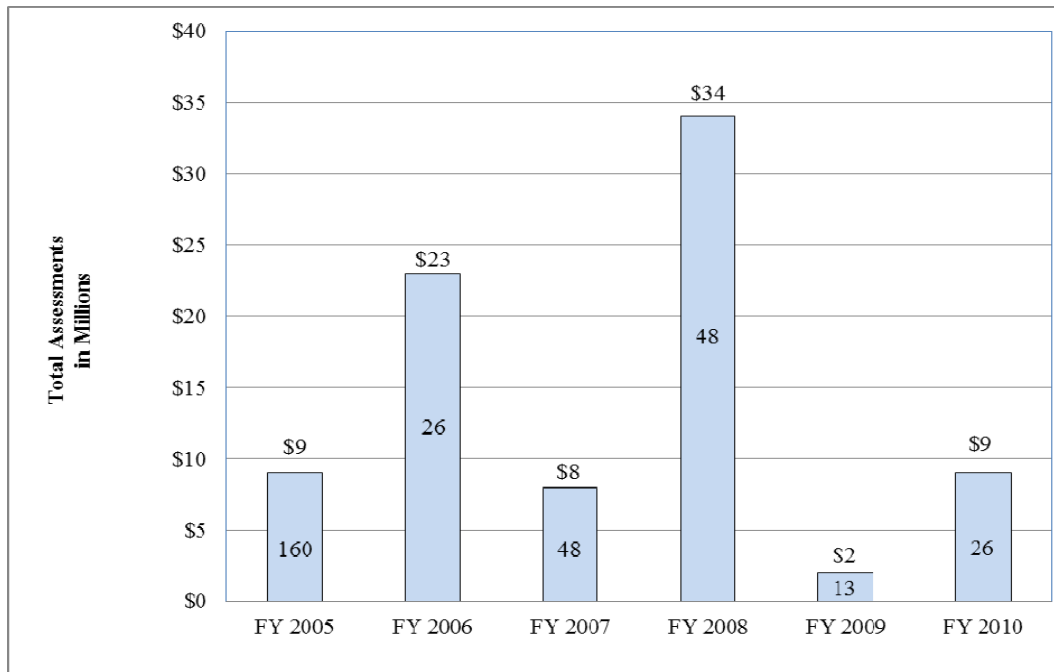
In our prior review, we determined that assessments ranged from approximately \$7 million per year to more than \$14 million per year with an average bond examination assessment of between \$19,000 and \$40,000. Since that time, the average assessment has increased dramatically. Similar to our last report, we identified that the total dollars assessed continues to fluctuate year to year. Figures 5 and 6, respectively, provide the total and average assessments for bonds determined to be noncompliant with the tax law.¹⁵ Figures 5 and 6 do not include assessment amounts proposed by the TEB office but appealed by the bond issuer.

¹⁵ These do not include claims for refund of arbitrage payments, bonds that are determined to be taxable, delinquent returns obtained, written advisory, referrals, I.R.C. § 6700 investigations, global settlements, and changes made to related returns.



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**Figure 5: Total Examination Assessments From
FY 2005 Through FY 2010**



Source: AIMS data for FY 2005 through FY 2010.

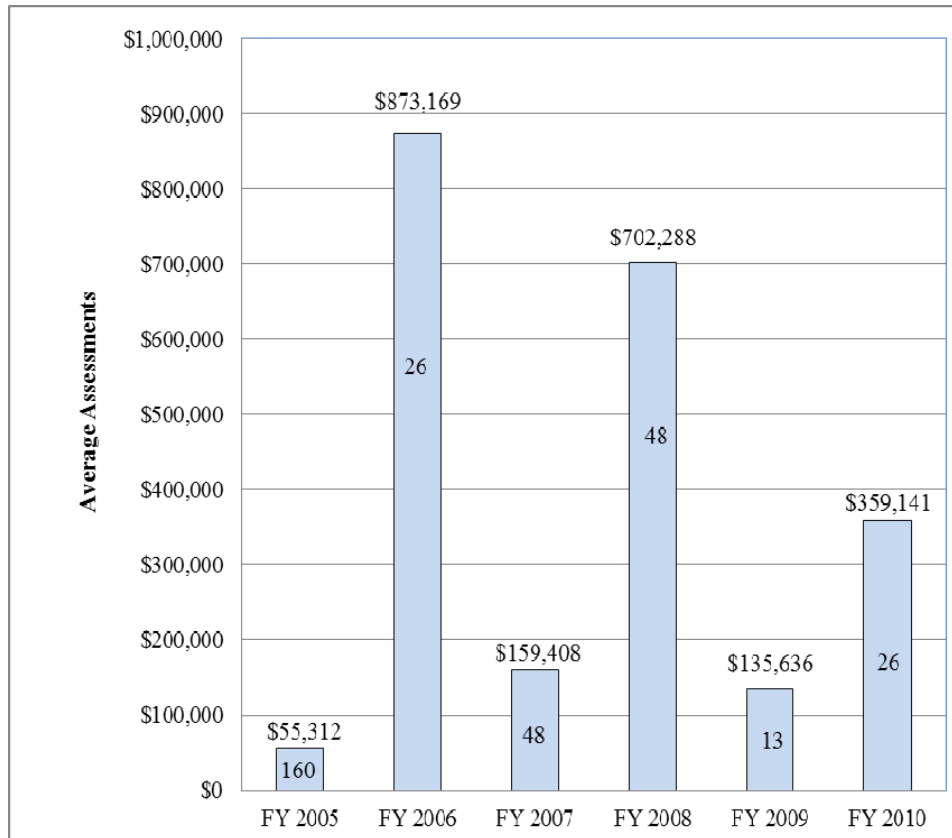
In Figure 5, the numbers within the bars represent the number of examinations with assessments,¹⁶ and the numbers above the bars are the total assessment amounts rounded to millions. This indicates that total assessment dollars are not dependent on the number of examinations with assessments. In addition, FYs 2006 and 2008 include four unusually large assessments totaling approximately \$37 million.

¹⁶ Municipal bond examinations can be closed as a change examination, indicating noncompliance; however, they may not always have an associated penalty assessment. Therefore, the number of change cases in Figure 3 will not match the number of examinations that resulted in assessments in Figures 5 and 6.



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Figure 6: Average Assessments From FY 2005 Through FY 2010



Source: AIMS data for FY 2005 through FY 2010.

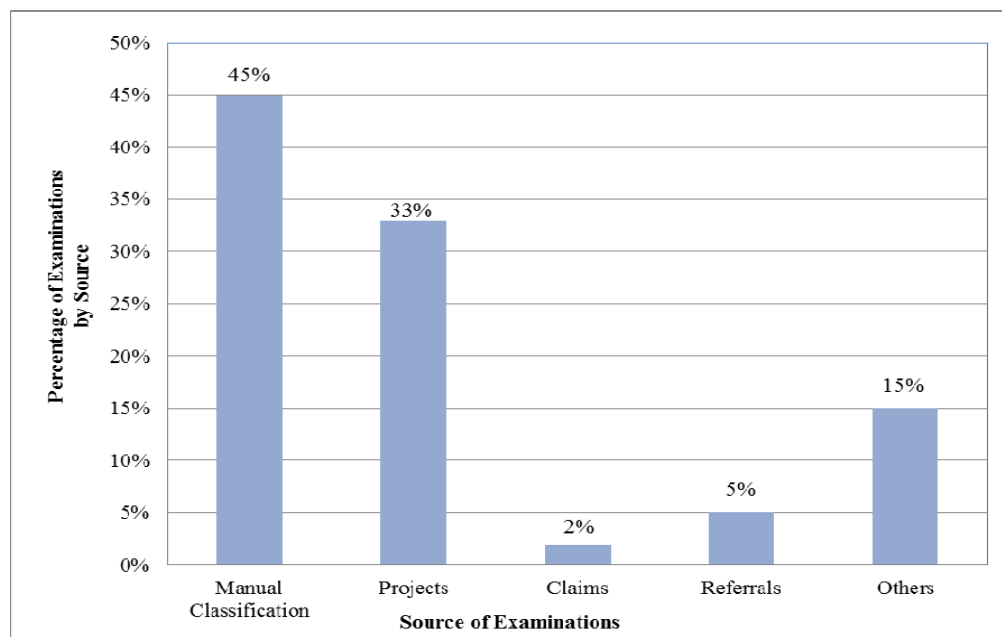


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Manual Classification Is the Largest Source of Examinations but Yields Less than Other Sources

In our prior review, manual classification was the largest source of examinations. This trend continued for this review. During manual classification, a revenue agent reviews bond returns to identify those that should be examined and the priority of their selection. The selection of bonds for examination is based on the revenue agent's identification of potential noncompliant issues related to the municipal bond. Our analysis shows the sources of examinations for FYs 2005 through 2010 were manual classification of municipal bond returns for examination, projects,¹⁷ claims for recovery of arbitrage payments, referrals,¹⁸ and all others. Figure 7 shows the source of examinations, by percentage, for FYs 2005 through FY 2010.

Figure 7: Source of Examinations From FY 2005 Through FY 2010



Source: AIMS data for FY 2005 through FY 2010.

Similar to what we previously reported, the TEB office continues to examine a high percentage of bonds that comply with the tax law (58 percent for all bonds, and 70 percent when claims for refund of arbitrage are removed). When examining bonds identified through manual classification, 67 percent of the bonds reviewed were compliant with the tax law. Those found to

¹⁷ Projects are examinations identified from the Returns Inventory and Classification System. The Returns Inventory and Classification System provides user access to computer information related to the filing and processing of forms for the Tax Exempt and Government Entities Division.

¹⁸ A document or other communication, *e.g.*, telephone call, received from a source outside the IRS, which alleges potential noncompliance with the tax law.



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be noncompliant were assessed more than \$24 million (\$209 per hour). However, when examining bonds identified from all other sources, 77 percent of the bonds were compliant with the tax law, but those that were found to be noncompliant were assessed more than \$56 million (\$438 per hour).

Misconduct Investigations Have Decreased and Management Information Relating to These Investigations Is Not Always Complete

In our prior review, we determined the TEB office was conducting between 16 and 44 investigations per year to identify bond promoters involved in misconduct¹⁹ and had made penalty assessments of more than \$44 million in three fiscal years. However, the number of I.R.C. § 6700 misconduct investigations decreased from 21 in FY 2005 to two in FY 2010, with total penalties of approximately \$88 million for all six years. TEB office management stated they believe the reason for the decrease in cases can be attributed to the suspension of eight investigations in FY 2006 and 2007 that they plan to reactivate in the future, and that highly public criminal prosecutions have created a deterrent effect.

I.R.C. § 6700 investigations can be started after a bond examination is underway and potential misconduct is identified or can be opened as a new investigation. If misconduct is identified, a penalty can be assessed against the bond promoter under I.R.C. § 6700. If the level of the misconduct does not warrant an I.R.C. § 6700 penalty, a miscellaneous penalty can be assessed using the same basis for calculating the I.R.C. § 6700 penalty; *i.e.*, the penalty amount may be the same for an I.R.C. § 6700 penalty and a miscellaneous penalty.

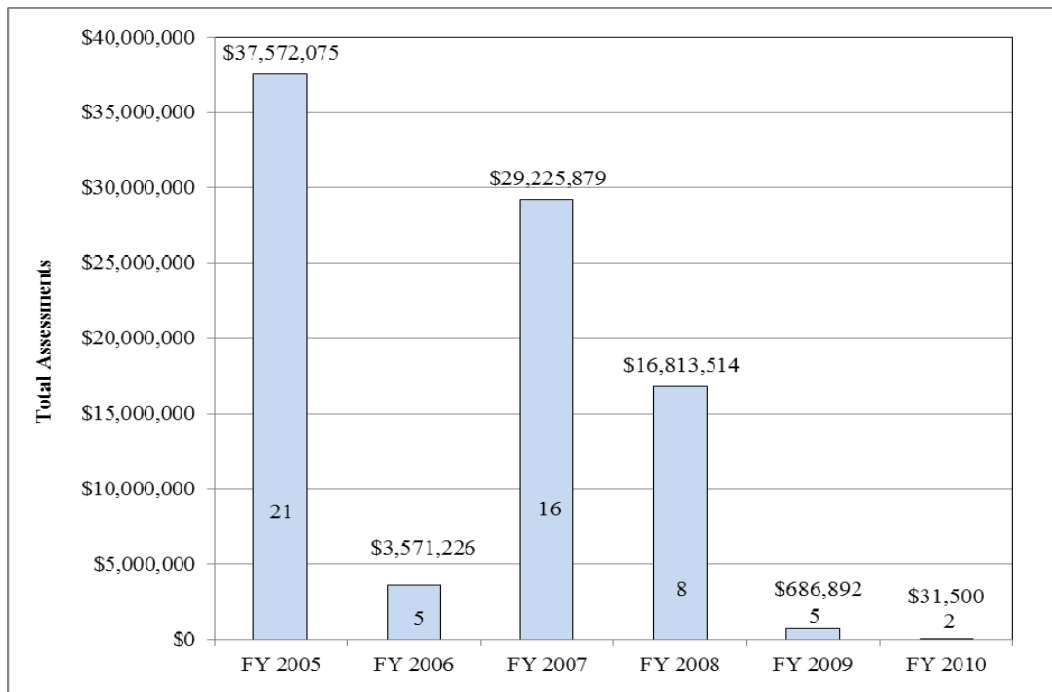
¹⁹ An example of misconduct is when a bond promoter misleads or causes others to be misled about material matters in the issuance of a municipal bond under a specific I.R.C. section.



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Figure 8 shows the number of cases closed each year with I.R.C. § 6700 and miscellaneous penalty amounts.

Figure 8: Total Cases Closed and I.R.C. § 6700 and Miscellaneous Penalty Amounts for FY 2005 Through FY 2010



Source: I.R.C. § 6700 spreadsheet provided by the TEB office and our research of the IRS Master File.

Tracking of misconduct investigations needs to be improved

The TEB office does not have a management information system to track the amount of time applied to I.R.C. § 6700 penalty investigations, but instead uses several other systems.

- Time expended for some I.R.C. § 6700 investigations is applied to the primary²⁰ examination case and is not tracked independently.
- Time expended for some I.R.C. § 6700 investigations that are closed with closing agreements²¹ is tracked on the AIMS.

²⁰ The primary examination case is the underlying bond examination or could be one or more of the approved participant examination cases.

²¹ Closing agreements are a mechanism to settle various tax disputes to negotiate a settlement with an issuer of a bond the IRS considered noncompliant.



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- Time for all I.R.C. § 6700 investigations should be recorded on the Web-Based Employee Technical Time System (WebETS).

Our analysis of the AIMS identified time charges for seven (12 percent) of the 57 misconduct investigations. We also performed analysis of the WebETS data provided by TEB office management and did not identify any time charges for working I.R.C. § 6700 investigations. We did not perform analysis to identify time that may have been absorbed into the primary examination cases.

TEB office management stated field specialists may not understand the use of WebETS Project Code 5054 to charge time for I.R.C. § 6700 investigations. During the audit, we recommended that the TEB office provide guidance on the use of WebETS Project Code 5054 to TEB office employees to ensure time captured relative to misconduct investigations is complete. The TEB office took appropriate action prior to the issuance of this report.



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Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to review relevant statistical data for the TEB office's enforcement activities from October 2004 through September 2010 to assess the office's efforts in identifying noncompliant bonds. To accomplish this objective, we:

- I. Obtained and reviewed data relating to the TEB office's enforcement activity.
 - A. Obtained Tax Exempt and Government Entities Division Technical Time Reporting System and WebETS data from October 2004 through September 2010 and determined the time applied to the Examination Program.
 - B. Obtained an AIMS¹ extract and identified all examinations controlled on the AIMS since October 2004.
 - C. Evaluated the AIMS data to determine the validity and reliability by performing manual testing to ensure the accuracy of fields, *i.e.*, date fields contained date information and dollar fields contained dollar information, and compared judgmental samples of the data to information from the Integrated Data Retrieval System.² The AIMS was found to contain valid and reliable data. Also, WebETS data were evaluated by performing manual testing to ensure the accuracy of the fields. We found the data contained incomplete fields, but the data were suitable for our use.
- II. Analyzed the WebETS and AIMS data for trends in enforcement activities for closed examination cases.
 - A. Determined sources for examinations by fiscal year.
 - B. Determined staffing metrics by fiscal year.
 - C. Determined examination results by fiscal year.
- III. Compared the examination results from Step II. to the results of our FY 2005 enforcement statistics audit.³

¹ The AIMS is a computer system used by the Tax Exempt and Government Entities Division to control returns, input assessments/adjustments to the Master File, and provide management information reports.

² IRS computer system capable of retrieving or updating stored information. It works in conjunction with a taxpayer's account records.

³ Treasury Inspector General for Tax Administration, Ref. No. 2005-10-186, *Statistical Portrayal of the Tax Exempt Bonds Office's Enforcement Activities From Fiscal Year 2002 Through Fiscal Year 2004* (Sept. 2005).



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Internal controls methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. With the exception of evaluating internal controls regarding the tracking of penalty investigations, we did not assess internal controls because doing so was not applicable within the context of our objective.



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Appendix II

Major Contributors to This Report

Nancy A. Nakamura, Assistant Inspector General for Audit (Management Services and Exempt Organizations)
Russell P. Martin, Acting Assistant Inspector General for Audit (Management Services and Exempt Organizations)
Troy D. Paterson, Director
Gerald T. Hawkins, Audit Manager
Andrew J. Burns, Lead Auditor
Yolanda D. Brown, Auditor
Michael A. McGovern, Auditor



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Appendix III

Report Distribution List

Commissioner C
Office of the Commissioner – Attn: Chief of Staff C
Deputy Commissioner for Services and Enforcement SE
Acting Deputy Commissioner, Tax Exempt and Government Entities Division SE:T
Acting Director, Government Entities, Tax Exempt and Government Entities Division SE:T:GE
Acting Director, Tax Exempt Bonds, Tax Exempt and Government Entities Division
SE:T:GE:TEB
Chief Counsel CC
National Taxpayer Advocate TA
Director, Office of Legislative Affairs CL:LA
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Office of Internal Control OS:CFO:CPIC:IC
Audit Liaison: Director, Communications and Liaison, Tax Exempt and Government Entities
Division SE:T:CL



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Appendix IV

Outcome Measure

This appendix presents detailed information on the measurable impact that our recommended corrective action will have on tax administration. This benefit will be incorporated into our Semiannual Report to Congress.

Type and Value of Outcome Measure:

- Reliability of Information – Actual; 50 records affected (see page 11).

Methodology Used to Measure the Reported Benefit:

The TEB office does not have a management information system to track the amount of time applied to I.R.C. § 6700 penalty investigations, but instead uses several other systems. We performed analysis of the AIMS and the WebETS and identified time charges for seven (12 percent) of 57 investigations. Therefore, time was not tracked for 50 investigations ($57 - 7 = 50$).



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Appendix V

Form 8038 Series of Information Returns

Figure 1 provides a list of the information forms used to report issuances of tax-exempt governmental obligations to the IRS.

Figure 1: Form 8038 Series of Information Returns

Form Name	Form Title
Form 8038	Information Return for Tax-Exempt Private Activity Bond Issues
Form 8038-B	Information Return for Build America Bonds and Recovery Zone Economic Development Bonds
Form 8038-CP	Return for Credit Payments to Issuers of Qualified Bonds
Form 8038-G	Information Return for Tax-Exempt Governmental Obligations
Form 8038-GC	Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales
Form 8038-R	Request for Recovery of Overpayments Under Arbitrage Rebate Provisions
Form 8038-T	Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate
Form 8038-TC	Information Return for Tax Credit Bonds and Specified Tax Credit Bonds

Source: <http://www.irs.gov>.